(b) whether United Bank of India (UBI) has the lowest CD ratio as on September 1998; if so, the actual CD ratio of UBI as on September 1998 and the reason for the low CD ratio;

(c) the CD ratio of UBI in rural, semi-urban and metro areas; and

(d) the steps taken to increase CD ratio of UBI in West Bengal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE BANKING, REVENUE AND INSURANCE (SHRI KADAMBUR M. R. JANARTHANAN): (a) The Credit Deposit (CD) Ratio of all Scheduled Commercial Banks in West Bengal as at the end of September, 1998 was 44.3 per cent.

(b) Among the public sector banks, Corporation Bank had lowest CD ratio of 19 per cent and United Bank of India had 26 per cent in West Bengal as at the end of September 1998.

The flow of credit in a State/Region depends upon various factors like availability of adequate infrastructural facilities, credit absorption capacity of the region, development of medium and large industries, properly developed marketing facilities, conducive atmosphere for investment, entrepreneurial initiatives, law and order situation in the region, satisfactory recovery position of banks dues, etc. United bank of India has reported that the poor rate of recovery in the agriculture sector hinders the bank's ability to extend credit in West Bengal.

(c) The CD ratio of United Bank of India in rural, semi-urban, urban and metropolitan areas of West Bengal were 20.9 per cent, 13.6 per cent, 8.5 per cent respectively as at the end of September 1998.

(d) United Bank of India has reported that efforts have been made to increase credit of bank in West Bengal which include expeditious disposal of loan applications for Government sponsored schemes particularly Prime Minister's Rozgar Yojana (PMRY) and Self Employment Scheme for Registered Unemployment (SESRU), delegation of discretionary power to Managers for opening of Specialised Small Scale Industries (SSI) branches for expeditious disposal of cases and giving emphasis on Housing Loan.

Banking Ombudsman

1453. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) what is the nature of complaints entertained by the Banking Ombudsman created recently by Government;

(b) whether refusal of loans by the Nationalized banks can be referred to the Ombudsman;

(c) whether the decision of the ombudsman is binding on the Banks; and

(d) what are the remedies available to a genuine borrower from a Nationalised Bank when Banks refuse to sanction loans in an arbitary manner?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE BANKING, REVENUE AND INSURANCE (SHRI KADAMBUR M. R. JANARTHANAN): (a) A Banking Ombudsman appointed by the Reserve Bank of India under the Banking Ombudsmen Scheme 1995 is authorised to look into all complaints concerning deficiency in service provided by the banks. The Banking Ombudsman is also authorised to look into complaints concerning loans and advances only in so far as they relate to:

(i) non-observance of Reserve Bank directives on interest rates.

(ii) delays in sanction/non-observance of prescribed time schedule for disposal of loan applications; and

(iii) non-observance of any other directions or instructions of the Reserve Bank, as may be specified for this purpose, from time to time.

(b) No Sir.

(c) An award passed by the Banking Ombudsmen shall be binding on a bank if the complainant furnishes to the Ombudsman within a period of one month from the date of the award a letter of acceptance of the award in full and final settlement of his claim in the matter. The Bank shall comply with the award and intimate its compliance to the Banking Ombudsman within 15 days from the date of receipt by the Bank of the acceptance in writing of the award by the complainant. The Banking Ombudsman shall report to the Reserve Bank the non-compliance by any bank of an award which became binding on it pursuant to sub-clause (vi) of clause 20 of the Scheme. There have been a few cases of representations by the Banks to the Reserve Bank of India against the awards of the Banking Ombudsman. In a few cases banks have challenged the awards of the Banking Ombudsmen in Courts of Law. RBI have issued instructions to banks to implement all awards except those in very rare cases in which the awards are likely to create bad precedents for the banks and the banking system. In such cases the banks should refer the matter to the RBI before contesting such awards in any manner.

(d) A borrower who is aggrieved by the non sanction of a loan by a nationalised bank may seek the intervention of an authority in the bank, higher than the authority which did not sanction the loan.

Black Money in the Economy

1454. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) the latest broad estimates of the black-money circulating in the Indian economy;

(b) the measures being taken to combat the generation and laundering of black money; and

(c) the strategy to nab the black-money operators and tax evaders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE BANKING, REVENUE AND INSURANCE (SHRI KADAMBUR M. R. JANARTHANAN): (a) There was a study made by the National Institute of Public Finance and Policy in 1983-84 which estimated undisclosed money between Rs. 31584 crores and Rs. 36786 crores. No estimate is available on the amount of black money circulating in the Indian economy at present.

(b) and (c) The Government have been taking necessary legislative, fiscal and administrative measures from time to time to unearth the undisclosed money. Rates of taxation have been progressively rationalised. Besides, the Income Tax Act, 1961 contains a number of provisions aimed at unearthing the undisclosed money. These include, *inter alia*, provisions regarding compulsory maintenance and audit of accounts in appropriate cases under section 44AA and 44AB, restrictions on cash transactions under Section 40(A)(3), 269SS and 269T, pre-emptive purchases of properties under chapter XXC and provisions regarding penalties and prosecutions for punishing tax defaulters.

विकासात्मक और गैर-विकासात्मक शीर्षों पर किया गया व्यय

1455. **श्री राज मोहिन्दर सिंह:**
श्री कपिल सिब्बल:

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि पिछले वर्ष की तुलना में इस वर्ष अप्रैल से दिसम्बर के दौरान सरकारी व्यय में उल्लेखनीय वृद्धि हुई है;

(ख) यदि हां, तो वर्ष 1997-98 और 1998-99 के वित्तीय वर्षों के दौरान अप्रैल से दिसम्बर माह में सरकारी व्यय का ब्यौरा क्या है; और

(ग) उपरोक्त में विकासात्मक और गैर-विकासात्मक शीर्षों पर सरकारी व्यय का अलग-अलग प्रतिशत कितना है?